SIDLEY AUSTIN LLP
787 Seventh Avenue
New York, New York 10019
Telephone: (212) 839-5300
Facsimile: (212) 839-5599
Lee S. Attanasio
Jeffrey E. Bjork (*pro hac vice*)
Teresa H. Chan

Counsel for the Debtors and
Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
	:	
FORTUNOFF HOLDINGS, LLC, and FORTUNOFF CARD COMPANY, LLC	:	Case No. 09-10497 (RDD)
	:	
Debtors.	:	(Jointly Administered)

STIPULATION BETWEEN THE DEBTORS AND EL-KAM REALTY CO. RESOLVING OBJECTION TO DEBTORS' REJECTION OF UNEXPIRED LEASES OF NONRESIDENTIAL REAL PROPERTY AND ORDER THEREON

Fortunoff Holdings, LLC and Fortunoff Card Company, LLC (collectively, the "Debtors") and El-Kam Realty Co. ("El-Kam") hereby agree and stipulate as follows:

RECITALS

WHEREAS, the Debtors, were lessees, and El-Kam was lessor, under two lease agreements for nonresidential real property for floors 1 and 2 of the building located at 3 West 57th Street, New York, New York (the "Leases"); and

WHEREAS, on February 5, 2009 (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the

"Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"); and

WHEREAS, on the Petition Date, the Debtors filed a Motion for an Order Pursuant to Sections 105(a) and 365 of the Bankruptcy Code and Bankruptcy Rule 6006 Authorizing Rejection of Unexpired Leases of Nonresidential Real Property as of the Petition Date [Docket No. 13] to seek rejection of the Leases; and

WHEREAS, on February 6, 2009, the Bankruptcy Court entered an Order authorizing rejection of the Leases as of the Petition Date [Docket No. 37]; and

WHEREAS, on February 18, 2009, El-Kam filed Objection of El-Kam Realty Co. to Debtors' First Notice of Proposed Assumption and Assignment of Executory Contracts and Unexpired Leases (the "Objection") [Docket No. 152]; and

WHEREAS, The Debtors and El-Kam (collectively, the "Parties") have engaged in arm's-length, good faith negotiations in order to resolve the Objection and have reached an agreement with respect thereto;

NOW, THEREFORE, subject to an order of the Bankruptcy Court approving this Stipulation, the Parties agree as follows:

1. The Objection is hereby resolved.

2. The Debtors shall pay El-Kam, as soon as practicable after entry of an order approving this Stipulation the sum of $14,185 (the "Stipulated Amount"), in full satisfaction of all of El-Kam's postpetition administrative claims under the Leases (the "Postpetition Claim").

3. Within two (2) business days after receipt of the Stipulated Amount, El-Kam will withdraw the Objection with prejudice and without costs.

4. This Stipulation is without prejudice to the right of El-Kam to file a general unsecured claim, including a claim for rejection damages, for amounts due under the Leases, and the respective rights of the Debtors and the Creditors' Committee to object to such claims on any and all grounds.

5. This Stipulation contains the entire agreement between the Parties as to any and all claims arising under or related to the Postpetition Claim and the Objection and supersedes all prior agreements and undertakings between the Parties relating thereto.

6. El-Kam represents that it has not assigned, conveyed or sold any claims pertaining to the Leases.

7. This Stipulation may not be modified other than by a signed writing executed by the Parties.

8. Nothing herein shall be deemed to be an admission of law or fact or evidence of the same.

9. The Bankruptcy Court shall have exclusive jurisdiction to hear disputes arising out of or related to the Parties' rights and obligations under this Stipulation and its formation and approval.

10. Each person who executes this Stipulation represents that he or she is duly authorized to execute this Stipulation on behalf of the respective Parties and that each such party has full knowledge of and has consented to the terms and provisions hereof.

11. This Stipulation may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Stipulation to present any copy, copies or facsimiles signed by the Parties hereto to be charged.

Dated: March 20, 2009

SIDLEY AUSTIN LLP

/s/ Lee S. Attanasio
Lee S. Attanasio
787 Seventh Ave.
New York, NY 10019
(212) 839-5300

Counsel for the Debtors

Dated: March 20, 2009

KASOWITZ, BENSON, TORRES & FRIEDMAN, LLP

/s/ David J. Mark
David J. Mark
1633 Broadway
New York, NY 10019
(212) 506-1990

Counsel for El-Kam Realty Co.

SO ORDERED this 20 day of March, 2009

/s/Robert D. Drain
THE HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE